United Nations A/C.5/59/SR.37

General Assembly
Fifty-ninth session

Official Records

Distr.: General
11 April 2005

Original: English

Fifth Committee

Summary record of the 37th meeting
Held at Headquarters, New York, on Wednesday, 16 March 2005, at 10 a.m.

Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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05-27196 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 126: Financing of the United Nations Peacekeeping Force in Cyprus (A/58/718 and A/59/734)

1. **Mr. Sach** (Acting Controller), introducing the note by the Secretary-General on the financing arrangements for the United Nations Peacekeeping Force in Cyprus (A/59/718), said that the Secretary-General sought additional resources of $1,898,800 for appropriations, reflecting the identified additional requirements of $4,464,600, minus savings of $2,565,800 as a result of the reduction in the size of the Force from 1,230 to 860 personnel. The additional requirements related to cost parameters for civilian police, international staff, national staff, facilities and infrastructure, and ground transportation and medical items. The civilian police requirement reflected revised subsistence rates for national and international staff and the requirement of $1.4 million for facilities and infrastructure comprised two elements, one of which was an amount of $709,500 for emergency repairs to buildings. The total appropriation included an amount of $706,500 to be funded by voluntary contributions from the Government of Cyprus. The Secretary-General was also seeking an assessment of $1,192,300.

2. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/59/734), said that the Advisory Committee was becoming concerned about a potential proliferation of requests for revised estimates for stable peacekeeping missions. It had previously stressed that requests for revised appropriations should be made only in exceptional circumstances. In view of the relatively small amount being requested and the ongoing discussions with the host Government concerning accommodation for troops, the Advisory Committee recommended that any necessary additional requirement for the United Nations Peacekeeping Force in Cyprus (UNFICYP) should be included in the next performance report.

3. **Mr. van den Bossche** (Belgium), speaking on behalf of the European Union, the acceding countries (Bulgaria and Romania), the candidate countries (Croatia and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Liechtenstein and Norway, said that changing cost parameters and the relocation of military personnel had had a significant impact on the original cost estimates for UNFICYP and had outweighed the savings achieved by the downsizing of the Force. Whereas the changing cost parameters were relatively understandable, that was not the case with the relocation of military personnel, which would have some additional financial implications for the next budget cycle. He therefore agreed with the Advisory Committee that UNFICYP should be encouraged to absorb the cost overruns.

4. **Mr. Mavroyiannis** (Cyprus) said that his delegation fully aligned itself with the statement made by Belgium on behalf of the European Union. His Government remained fully committed to its obligations under article 19 of the March 1964 Agreement between the United Nations and the Government of Cyprus concerning the status of UNFICYP, which did not include alterations and renovations for the enhancement of premises. In addition to its voluntary contributions, his Government had been providing for the routine maintenance of UNFICYP facilities as well as for materials, equipment and services. In response to a note verbale received from UNFICYP in November 2004, his Government was taking all necessary measures to ensure the safety and security of the facilities provided to the Force and would do its utmost to find a swift and satisfactory solution to the matter, in consultation with the Force and with the United Nations.

5. **Mr. Torres Lépori** (Argentina) said that his delegation also wished to maintain the standards of security and maintenance at UNFICYP and would therefore work in a positive spirit during the informal consultations to ensure that the Force had the necessary resources to perform its work effectively.

6. **Ms. Attwooll** (United States of America) said that it was unclear why the General Assembly was considering the request for UNFICYP during the first part of its resumed session, rather than during the second part. Her delegation agreed with ACABQ that requests for revised appropriations should be made only in exceptional circumstances and would be grateful if the Secretariat would provide detailed information about the status of agreements between UNFICYP and the Government of Cyprus, specifically

with regard to the arrangements for accommodation of troops.

7. **Mr. Kozaki** (Japan) said that his delegation fully agreed with the recommendation of ACABQ that requests for revised appropriations should be made only in exceptional circumstances and that any necessary additional requirements should be included in the performance report. It also endorsed the comments made in paragraph 5 of the Advisory Committee's report. It would be useful to clarify the legal obligations of the Government of Cyprus under the Status of Forces Agreement (SOFA) and the status of negotiations between the Government and the United Nations. It would also be helpful to know why the United Nations could not wait for the Government of Cyprus to agree to provide appropriate facilities for the military accommodation of UNFICYP. The Secretary-General should expedite the negotiations with the host Government on the relocation of military contingent personnel.

Agenda item 133: Financing of the United Nations Interim Administration Mission in Kosovo (A/59/692 and A/59/728)

8. **Mr. Sach** (Acting Controller), introducing the note by the Secretary-General on the financing arrangements for the United Nations Interim Administration Mission in Kosovo (A/59/692), said that the additional resource requirements of $37,404,100 reflected additional costs to be partially offset by savings of $3,630,000. There was consequently a need for an additional appropriation of $33,774,100 which would need to be assessed, in addition to the amount of $264,625,200 already appropriated. The requirements arose from costs relating to salaries and benefits for military liaison officers, international staff, national staff, and air transportation requirements. Substantial changes in salaries of national staff had resulted from a survey that had changed the salary scale by 30 to 40 per cent.

9. With respect to assessment, the current financing situation was not satisfactory. Although a total of $55 million in loans from closed peacekeeping missions was available to maintain the operations of the United Nations Interim Administration Mission in Kosovo (UNMIK), of the $141 million in contributions payable as of 1 January 2005, $132 million was outstanding. The question of assessment was therefore very important.

10. **Mr. Saha** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/59/728), said that the additional request for UNMIK was due to a change in a number of cost parameters, including mission subsistence allowance rates, salaries for national staff and the decline of the dollar against the euro. The costs of an air operations contract effective 15 September 2004 had also been included. Although the Secretariat had proposed to absorb a portion of the additional costs, it could do more, especially in the area of operational costs. Further efforts should be made to reduce the costs of air operations and to redeploy funds available under other operational heads. Any shortfall that remained as a result of the increased cost of the new contract could be included in the next performance report of UNMIK. The Advisory Committee therefore recommended an additional appropriation of $30 million for UNMIK for 2004-2005, which was $3.8 million less than the amount requested by the Secretary-General.

11. **Mr. van den Bossche** (Belgium), speaking on behalf of the European Union, the acceding countries (Bulgaria and Romania), the candidate countries (Croatia and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Liechtenstein and Norway, agreed that efforts should be made to absorb the increased requirements of $386,000 under air transportation. A guiding principle should be that unbudgeted costs related to travel, maintenance of facilities and infrastructure and acquisition of vehicles, communications and other electronic data-processing equipment should be absorbed. The performance report of UNMIK for 2004-2005 would be a test in that regard.

12. **Ms. Attwooll** (United States of America) expressed alarm at the increase in the costs of UNMIK, which were largely due to revised mission subsistence allowances and revised salary scales for national staff. While her delegation generally encouraged the Secretariat to streamline the information it provided the General Assembly, in the case of UNMIK greater effort should have been made to explain the rationale for such increases during the Committee's informal consideration of the item.

13. Her delegation was concerned at the increasing tendency to request the Committee to revisit peacekeeping budgets throughout the year. Although it was understandable that certain circumstances might require that the General Assembly consider requests for funding adjustments outside the normal peacekeeping budget cycle, greater efforts should be made to reserve all other requests until the second part of the resumed session. The current piecemeal approach further confused the state of peacekeeping financing and raised questions about the ability of missions to manage their budgets effectively. The approach also served as a reminder that in view of the recent substantial increases in peacekeeping budgets, greater efforts must be made to achieve efficiencies within those budgets.

14. **Mr. Kozaki** (Japan) said that requests for revised appropriations should be made only in exceptional circumstances and that greater efforts should be made to absorb unbudgeted expenditures, including through reprioritization. While it was true that information on possible overexpenditures or underbudgeting had not been available by the time the budget had been submitted, most of the information on cost increases had been available during the budget debate in May 2004. His delegation wondered why that information had not been conveyed to the Committee. The Secretariat should also elaborate on the need for increases in the United Nations salary scale and on how much of the additional requirement of $8 million for international staff was attributable to the conversion from 300 series contracts to 100 series and how much was attributable to the increase in mission subsistence allowances.

Other matters

15. **Mr. Abelian** (Secretary of the Committee), responding to the question raised at the Committee's previous meeting by the representative of the Syrian Arab Republic concerning the overcrowding of the Secretariat building during the forty-ninth session of the Commission on the Status of Women, said that the celebratory nature of the event had been due to its having marked the 10th anniversary of the Beijing Declaration and Platform for Action, the 20th anniversary of the adoption of the Nairobi Forward-looking Strategies for the Advancement of Women, and the 30th anniversary of the First World Conference on Women.

16. In its resolution 2004/57, the Economic and Social Council had decided to invite, on an exceptional basis, non-governmental organizations (NGOs) that had been accredited to the Fourth World Conference on Women or to the twenty-third special session of the General Assembly, in addition to those delegates who normally attended the Commission's sessions. All the necessary planning had been done in preparation for the session.

17. **Mr. Henn** (Officer-in-charge of the Security and Safety Service), also responding to the question posed by the representative of the Syrian Arab Republic, said that participants at the Commission's forty-ninth session had been briefed on evacuation procedures, which had also been reviewed in preparation for the session. Moreover, additional safety patrols had been carried out, special identity cards had been issued, and participants had been pre-registered. Access had been granted to participants who were not staff members or delegates only after screening of the individuals and their personal belongings.

18. **Mr. Elji** (Syrian Arab Republic) said that his delegation was not concerned about the large number of delegates per se, but about whether the Secretariat had taken into account the operational capacity of the Secretariat facilities during its preparations for the session.

19. **Ms. Kang** Kyung-wha (Republic of Korea) said that the occasion of the 10th anniversary of the Fourth World Conference on Women had been exceptional and a major logistical undertaking due to the number of delegates attending. In preparation for the session, consultations had been held with the Bureau of the Commission, the Secretariat, and the security, protocol and conference services. Every aspect had been taken into consideration, including access, security passes and the capacity of individual meeting rooms and of the Secretariat building itself. Although less than half of the approximately 6,000 registered members of non-governmental organizations had actually attended, there had been a number of high-level governmental delegations. Thanks to the preparatory consultations, the session had been very successful. However, the Commission wished to apologize for any inconvenience caused to other United Nations bodies.

The meeting rose at 10.55 a.m.

United Nations A/C.5/59/SR.38

General Assembly
Fifty-ninth session

Official Records

Distr.: General
8 April 2005

Original: English

Fifth Committee

Summary record of the 38th meeting
Held at Headquarters, New York, on Thursday, 17 March 2005, at 10 a.m.

Chairman: Mr. MacKay ..... (New Zealand)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

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05-27350 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 108: Programme budget for the biennium 2004-2005 (*continued*)

Capital master plan

1. **Mr. Clarkson** (Officer-in-Charge of the Capital Master Plan Project), recalling that the most recent report of the Secretary-General on the matter had referred to a provisional loan offer from the United States Government (A/59/441, para. 11), said that the host country Government had since approved the loan and had further explained its key terms in a letter dated 15 March 2005. The terms were essentially those that had been presented in the report. In the view of the commercial financial institutions which the Secretariat had approached for advice on the host country offer and other financing options, the current market would not offer the Organization a lower fixed rate of interest.

2. The host country proposal would probably cost the Organization less in debt servicing than would direct borrowing on the capital markets. Having received confirmation of the loan terms from the host country, the Secretariat would compare them with current market terms and report to the General Assembly at the second part of its resumed session. Although the Secretariat had explored other ways of reducing the amount of interest payable over the life of the loan, those options could not be exercised without using the host country offer as a guarantee and therefore depended on a loan agreement being in place by 30 September 2005.

3. The construction phase of the capital master plan had assumed that staff and delegates would be temporarily relocated into swing space to allow work on the current premises. Although the city of New York had proposed the construction of a building through the United Nations Development Corporation (UNDC-5) on First Avenue between 41st and 42nd Streets, the Organization had begun considering other swing space options because the state of New York had not given its legislative approval to the site. It had retained a New York real estate consultant to identify alternative swing space and was also analysing how to limit the overall cost of the UNDC-5 building. According to initial analysis of the current market, the Organization might be able to find swing space in a single nearby building, but would lose that opportunity unless it took a rapid decision. It hoped to report on the matter of swing space to the General Assembly during the second part of its resumed session. Recent developments in obtaining host-country financing, progress in design work and the engagement of a programme management firm were positive steps. To maintain the momentum of the plan, the Secretary-General intended to seek the approval of the Assembly, at the second part of its resumed session, to convert $26 million of the commitment authority into an appropriation in order to complete the design work and to resolve the issue of the swing space.

4. **Mr. Stoffer** (United States of America) said that the Under-Secretary-General for Management had been formally notified on 15 March 2005 of the adoption in the United States budget of the loan offer to finance the capital master plan. The loan, a maximum of $1.2 billion repayable over a maximum of 30 years, would be provided in three instalments over three years. Because the loan amount and loan term were maximums, the Organization could choose a lower amount, a shorter term (resulting in a lower interest rate) or a different disbursement schedule.

5. The loan offer expired at midnight on 30 September 2005 and the Secretary-General must therefore sign it by that date in order to retain it as an option for the Committee to consider for financing the capital master plan. The signature of the Secretary-General would neither create a financial obligation for the Organization nor signify the General Assembly's approval of the loan. Repayments would be due only if funds were actually disbursed to the Organization.

6. The Committee must take a number of decisions. First, it must determine whether to authorize the Secretary-General to sign the loan offer. It could authorize signature simply to keep the offer available pending its consideration of capital master plan financing at the Assembly's sixtieth session, or to be able to use the loan offer as collateral in securing financing from commercial sources. It could also decide not to take up the loan offer at all.

7. Second, the Committee must provide the capital master plan project with financing for the second design phase, as it had done for the first design phase. That financing must be available in May 2005, since funds for the first phase would run out shortly thereafter.

8. Third, the Committee must discuss swing space options, including any commercial space options which the Secretariat might have explored and recommended. It must therefore compare UNDC-5 rental costs with commercial rental costs. The cost of UNDC-5 should be less than the cost of accommodating the Secretariat and General Assembly in commercial space. It must also weigh the additional cost of delaying the capital master plan until UNDC-5 was ready in 2009 against the advantages of waiting for UNDC-5, which could provide a single space for the Secretariat and General Assembly, whereas commercial space probably could not.

9. Even if the Committee decided to use commercial space as swing space during the construction phase of the capital master plan, it must still decide separately whether or not to use UNDC-5 as a consolidation building. Moving United Nations offices currently in rented commercial space into the new building might reduce future rental costs. Moreover, UNDC-5 would be modern, highly secure and designed solely for use by the Organization, which could acquire ownership after 30 years or pay a subsidized rent indefinitely. The Organization would have use of the UNDC-5 site free and in perpetuity.

10. The Committee needed to take a number of important decisions. For its part, the host country wished to ensure that there was a safe and secure environment for delegates and staff at United Nations Headquarters and would like to take advantage of the offer from New York City to construct a building that the Organization could own after 30 years. His Government would work diligently to secure New York state legislative approval and thus provide the Committee with a firm basis on which to make informed decisions about the future of the United Nations.

11. **Mr. van den Bossche** (Belgium), speaking on behalf of the European Union, the acceding countries (Bulgaria and Romania), the candidate country (Turkey), the stabilization and association process countries (Albania, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland, said that the capital master plan project was an urgent matter. While reform in the Organization was accelerating, renovation of its Headquarters was lagging behind. That renovation was required for security and safety reasons and because it had as much impact on staff morale and well-being as other items before the Committee, such as the administration of justice or safety and security. Concerned at the effect of further delays and at recent media reports and comments by political figures in the host country about the project, he called for transparent communication from the Secretariat on all its aspects, including information from the host country and information on the swing space.

12. The Committee must decide how to approach the question of payments due to architects in the coming months, and particularly whether Member States should be assessed immediately to allow final payments to be made. The European Union was willing to discuss the matter at the first or second part of the resumed session, as required, given that $18.6 million had already been committed for the project. In order to prepare for discussion of the project at the second part of the resumed session, it would welcome detailed, official, written information on all aspects, including the cost and other implications of all the swing space options, before May 2005.

13. A renewed United Nations deserved better than the current Headquarters building, which failed to conform to current safety, fire and building codes and to meet modern security requirements.

14. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, welcomed the oral report of the Officer-in-Charge of the Capital Master Plan Project but expressed disappointment at the lack of transparent and accurate financial information. Despite urging the General Assembly to approve an appropriation of $18.6 million during the main part of its current session, the Secretariat had indicated that no further funds were immediately needed.

15. As a matter of sound procedure, the Group wished information on the loan offer from the host country Government to be provided in a formal document, as previous written details had relied only on scenarios and assumptions regarding repayment. Although the United States representative had indicated what the legal implications of the Secretary-General's signing of the loan offer would be the Secretariat should give its own view. She was not attempting to prejudge or signal reluctance to accept the loan offer, but rather to point out that the General Assembly could react only to official written

information. The Group proposed to ask further questions during informal consultations.

16. **Ms. Skåre** (Norway) said that her delegation wished to reiterate its concerns about the hazards, risks and deficiencies of the Headquarters complex. It was not up to standard, and the Organization deserved better, safer and more adequate working conditions.

17. Norway was prepared to approve the conversion of $18.6 million of the original commitment authority into an appropriation, if required, in order for the project to proceed without delays. It had noted that negotiations with the city and state of New York had not been completed and that the Organization might have to evaluate swing space options other than UNDC-5 and adjust its plans for the construction phase. Her delegation looked forward to information on the financial and other implications of that development. Norway was also prepared to discuss alternative financing arrangements for the project, including an interest-bearing loan or assessed contributions.

18. **Mr. Torres Lépori** (Argentina), speaking on behalf of the Rio Group and associating it with the statement made by the representative of Jamaica on behalf of the Group of 77 and China, said that the Secretariat should supply more detailed information on alternative financial arrangements and building sites in the form of a report of the Secretary-General. While it understood the United States representative's assurances regarding the legal implications of the Secretary-General's signing of the loan offer, it wished the Office of Legal Affairs to provide an opinion.

19. **Mr. Berti Oliva** (Cuba) said that his delegation was concerned at the lack of transparency in the financial information provided by the Secretariat. The Committee had had only a limited discussion of the matter at the end of 2004 because the Secretariat had assured it that financing for the capital master plan was needed rapidly. He wondered why the Committee had then been informed that funds would not be needed until March 2005, and, most recently, not until May 2005. He was also concerned that the Secretariat had made no mention of the advisory board that should have been established by the end of 2004 to provide input on financing and location options. Despite its essential role, it seemed no closer to being operational than when the Secretariat had informed the Committee, on 15 November 2004, of the difficulties involved. He wished to know the reasons for the delay.

20. **Mr. Mazumdar** (India) said that, while he appreciated the Secretariat's candour in telling the Committee that it currently had sufficient financial resources for the capital master plan and that the financing crisis of November and December 2004 had therefore dissipated, he was concerned at the inconsistent information being provided and wished to know when funds would actually be needed. He also wondered why the Secretariat had not mentioned the option of a phase-by-phase renovation of the Headquarters complex and whether that option had been discarded. There were rumours that such an approach was unviable because of security concerns and the presence of asbestos.

21. The Officer-in-Charge of the Capital Master Plan Project had told the Committee that the Secretariat hoped to report to the Committee at the second part of the resumed session. The Committee must in fact have all the necessary information, especially information on the implications of the Secretary-General's signing of the loan offer, before it was called upon to take any decision. It therefore needed a report from the Secretary-General on the status of the capital master plan, including details of all financial and location options, even if they were interim options, before the May session. In that connection, he asked the Secretariat for a categorical assurance that the plans and financial requirements of the project's design phase would remain unaltered regardless of the swing space option selected.

22. **Mr. Clarkson** (Officer-in-Charge of the Capital Master Plan Project) said that he could respond to some of the questions asked immediately and deal with others in informal consultations. The design phase of the Capital Master Plan required 10 per cent of the contract value to be paid every month, ending with the final 30 or 40 per cent on completion of the design work. Although payments were continuing, decisions were being made later than originally intended and contracts were therefore also being implemented later than originally intended. The continuously changing information from the Secretariat reflected its desire to be as transparent as possible with Member States. He would discuss with the Office of Legal Affairs the request for an opinion on the implications of the Secretary-General signing the host country loan offer.

23. By its resolution 57/292, the General Assembly had decided to endorse the first approach to phasing and swing space during the refurbishment of the Headquarters complex. The phase-by-phase approach was still viable and if the General Assembly decided to pursue it, the Secretariat would provide more information when it reported to the Committee. The Secretariat had worked diligently for four or five months to establish an advisory board, but the eminent figures approached had expressed doubts over the time they could devote to their responsibilities and over legal liability. They had instead advised the Secretariat that it would gain better advice on construction management and financial, architectural and engineering matters from experts retained on the open market than from an advisory board.

24. **Mr. Pulido León** (Bolivarian Republic of Venezuela), noting that the Officer-in-Charge of the Capital Master Plan Project had proposed to respond to some of the Member States' questions in informal consultations, emphasized that questions asked in formal meetings of the Committee should be answered in formal meetings to ensure that they appeared in the official records. The accuracy of the information provided in informal consultations seemed to vary.

25. He disagreed that varying information from the Secretariat reflected its desire for transparency. At his delegation's request, the Secretariat had informed the Committee on 22 November 2004 that a balance remained from the original appropriation of $25.5 million and could be used during the first half of 2005 to reduce the amount of the commitment authority that would be drawn upon. Nevertheless, the Secretariat was seeking the conversion of $18.6 million of the available commitment authority into an appropriation. His delegation did not object, as long as the request was substantiated. He would have preferred the Committee to have received financial information about the project from the Programme Planning and Budget Division rather than from the Officer-in-Charge of the Capital Master Plan Project, particularly to explain why there had been such urgency to approve funding at the end of 2004, when there was currently no such urgency.

26. He wondered whether the design phase of the capital master plan was being delayed by the exploration of alternative swing space options or for some other reason and why the design firms had been unable to fulfil their contracts and present designs. Much had changed since the General Assembly had adopted its resolution on the capital master plan at its fifty-sixth session and there was confusion and uncertainty about the status of the plan. The Secretariat must provide the Committee with additional and updated information.

27. **Mr. Mazumdar** (India) agreed with the representative of Venezuela that members' questions should be answered during formal meetings of the Committee, especially since no informal consultations on the item had been scheduled. He would be grateful if the Officer-in-Charge of the Capital Master Plan Project could clarify whether the design phase would remain unaffected regardless of the approach chosen.

28. **The Chairman** said that no informal consultations had been scheduled on the capital master plan because the Bureau had assumed that no decision would be required until the second part of the resumed session. However, it appeared that members might indeed welcome the scheduling of informal consultations during the current part and the Bureau would address that issue in consultation with the regional groups. It did appear that there was clear consensus among members that questions raised during a formal meeting should be answered in a formal meeting.

29. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, said that it would not be necessary to schedule informal consultations for the current part of the resumed session, but that some discussion would be necessary during the second part, when more documentation would be available.

30. **Mr. Belov** (Chief of the Common Services Unit of the Programme Planning and Budget Division) recalled that in the second annual progress report on the implementation of the capital master plan (A/59/441), the Secretary-General had presented projected expenditures for the design phase of the plan and had estimated that an additional appropriation of around $18 million would be required for 2005. During informal consultations, the Secretariat had submitted additional information concerning the monthly requirement up to June 2005. The estimates available at that time had been based on certain assumptions of progress in the design work.

31. Because the design phase had not progressed as expected, the actual level of expenditure had been lower. In document A/59/441, the Secretariat had

projected that an appropriation of $2.9 million would be available at the end of the biennium, which was the reason for the additional appropriation request. However, due to the delays in the design phase, a $5.4 million appropriation had been available at the end of February. Based on projected monthly expenditures, implementation of the plan could therefore continue until May or June. The Secretariat would therefore not present its revised proposal until the second part of the resumed session.

32. **Mr. Clarkson** (Officer-in-Charge of the Capital Master Plan Project) said that the Secretariat had engaged a highly experienced programme management firm, which had helped adjust the design schedule in order to resolve design issues early in the process so that they would not affect the long-term schedule. The postponement of many non-critical activities would not delay the overall process, but the decision as to whether to proceed with a swing space or phase-by-phase approach would have an impact on the overall design, although he was not yet in a position to give more details in that regard. If any unanswered questions remained, he would be glad to provide those answers at a later stage, either in writing or at another formal meeting.

33. **Mr. Pulido León** (Bolivarian Republic of Venezuela) sought further details on how the choice of approach might affect the overall design phase, the reasons for the delay in the design process and the activities that had been postponed.

34. **The Chairman** said that the Secretariat would ensure that the requested information was included in the documentation to be prepared for the second part of the resumed session.

Review of the regular programme of technical cooperation and the Development Account (A/59/397)

35. **Ms. Van Buerle** (Officer-in-Charge of the Programme Planning and Budget Division), introducing the Secretary-General's report on the review of the regular programme of technical cooperation and the Development Account (A/59/397), said that in view of the similarities between the programme and the Account, and in line with the proposals of the Secretary-General to streamline reports before the General Assembly, her Division had compiled a single report to address both issues.

36. Section II of the report contained a discussion of the legislative history of the programme of technical cooperation and the Development Account, the current objective of the programme, and guidelines for the use of the Account. Sections III and IV addressed the operating modalities of the programme and the Account, and section V contained a discussion of the main issues that had been identified in the review of the operations of the two programmes. The report covered a full range of operations of the programme and the Account and analysed their similarities and differences.

37. She drew attention to paragraphs 81 and 82 of the report, which discussed the various options available. The most viable options were to eliminate section 23 (Regular programme of technical cooperation) of the budget by allocating its resources within each programme section, or to retain the programme as a separate section while making improvements with respect to objective criteria, management responsibilities and reporting arrangements. Since the programme of technical cooperation did not have a focal point, the report also contained a proposal that the Department of Economic and Social Affairs should be designated to perform that task. The report made no specific recommendation for improving the efficiency and effectiveness of the Development Account, as it was considered to be operating effectively.

38. The programme and the Development Account operated differently. While the Account proposed projects within the context of the proposed programme budget, which were then endorsed by the General Assembly, resources for the programme were approved by the General Assembly and utilized as the need arose in response to specific requests by Member States for technical assistance. Sections VI, VII and VIII of the report contained a number of proposals on which the Committee's guidance was sought for the preparation of the programme budget for the biennium 2006-2007 and for determining whether the two sections should be consolidated.

39. **Mr. Saha** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions) noted that the review of the regular programme of technical cooperation and the Development Account (A/59/397) addressed the legislative history and operating modalities of the regular programme and the Account as well as a number of main issues that had traditionally been

within the purview of the Committee for Programme and Coordination (CPC) and the General Assembly. The Advisory Committee had been heavily involved in the establishment of the Development Account and had traditionally taken up the matter of the regular programme in the context of its consideration of proposed programme budgets. One issue in the report that related directly to the Advisory Committee was the possible consolidation of budget sections 23 and 35. The Advisory Committee intended to revisit the issue during its consideration of the proposed programme budget for 2006-2007, taking into account the contents of the report contained in document A/59/397. The implementation date of any such consolidation would be 1 January 2006.

40. **Ms. Taylor Roberts** (Jamaica), speaking on behalf of the Group of 77 and China, said that the two programmes had their own mandates, functions and identity and should therefore have been presented independently. In view of the importance of the regular programme of technical cooperation, the General Assembly must take decisions during the current session aimed at improving its functioning and strengthening the level and use of the appropriated resources. Designating the Under-Secretary-General for Economic and Social Affairs as programme coordinator for the programme, as proposed in the report, would enhance accountability, transparency and coherence in the criteria for the use of resources.

41. With regard to reporting arrangements, the Group favoured the proposal to create a separate report on the programme's activities, outputs and impact, but the Secretariat should clarify the role that the Main Committees of the General Assembly and CPC would play in the evaluation of the programme. In view of the differences between the two programmes, there was no justification for merging sections 23 and 35 of the budget. The Development Account had provided valuable support to technical cooperation programmes and activities. The Group of 77 and China appreciated the integrated approach, the multiplier effects sought, and the interregional nature of Account projects and had taken note of the progress made in its management. The results of the review showed positive achievements and underlined the added value of Account projects in relation to the regular programme of technical cooperation.

42. The report of the Secretary-General made two concrete proposals for improving the efficiency of the Account, namely, to approve a statement of objective for the Development Account and to increase the Account's funding level. With respect to the former proposal, the Group believed that the General Assembly would benefit from the input of CPC. As for the latter proposal, section 23 of the budget should continue to be subject to re-costing. Lastly, the list of project proposals submitted was substantially more than could be approved given the limitation on funding, and no savings that could be added to the Account had been identified. The underlying assumption upon which the funding arrangement for the Account had been based must therefore be flawed and the Group was ready to consider concrete proposals for increasing the level of funding.

43. **Mr. van den Bossche** (Belgium), speaking on behalf of the European Union, said that it welcomed programmes that helped developing countries meet their real needs. It noted with satisfaction that the Development Account was well managed and that no substantive changes were required in the way it operated. More needed to be done, however, to assess and monitor the true impact of Development Account projects so as to ensure that they achieved tangible development goals. There were more problems in the case of the regular programme of technical cooperation, which required the Committee's attention.

44. In order to take sound decisions on the future of the two programmes, the Committee must take into account the likely impact on other Secretariat activities in support of development. It could be useful to have the views of the Second Committee and of CPC in that regard. The Committee might wish to revert to the matter following the five-year review of the outcome of the Millennium Summit in September 2005. In the meantime, the European Union was ready to consider the proposals contained in sections VI, VII and VIII of the report, although it saw some merit in the Advisory Committee's suggestion that the Committee should consider the possible consolidation of sections 23 and 35 of the programme budget in the context of the proposed programme budget for the biennium 2006-2007.

45. **Ms. Andrianantoandro** (Madagascar), speaking on behalf of the Group of African States, said that the Group wished to associate itself with the statement made by the representative of Jamaica on behalf of the Group of 77 and China. While the New Partnership for Africa's Development (NEPAD) was making steady

progress, the special challenges facing the continent could not be addressed through the efforts of the African countries alone. Technical cooperation programmes and Development Account projects were a crucial complement to those efforts.

46. The Group was encouraged to note that Development Account funding had been utilized more effectively in implementing the third and fourth tranches of projects. However, it concurred with the Secretary-General that the Development Account and the regular programme of technical cooperation should be maintained as separate programmes, and it was not convinced that combining sections 23 and 35 of the programme budget would result in significant cost savings or efficiency gains.

47. Development Account projects promoted regional and interregional cooperation among developing countries. The Group noted with satisfaction that of the 66 projects implemented thus far, 13 had addressed the vital development needs of Africa. It also welcomed the assurances given that the programme was well managed and was operating in a manner that was fully consistent with the General Assembly-approved directions. The inter-agency nature of the programme ensured that it could mobilize the technical and financial synergies necessary for a harmonious and integrated approach to development. Its cost-effectiveness was due in part to its reliance on local technical and human resources, which contributed in turn to capacity-building in developing countries. The Group appreciated such triangular cooperation between developing countries and the United Nations. It was seriously concerned, however, about the lack of a predictable and reliable source of funds for the Development Account and called on the General Assembly to reconsider the assumptions on which the funding arrangements had been based.

48. **Ms. Soni** (Canada), speaking also on behalf of Australia and New Zealand, said that for too long the General Assembly had been engaged in a tired debate over the funding of the regular programme of technical cooperation, whereas the only relevant considerations were whether the programme achieved results on the ground and whether it created value for developing countries commensurate with its cost. The report before the Committee contained helpful information about the history of the programme and useful proposals for improving transparency and accountability. However, the Secretariat had not undertaken the fundamental review requested by the General Assembly.

49. Currently, some 85 per cent of the programme's expenditures, which had amounted to over $40 million in the previous biennium, were used to support more than 90 adviser posts at the D-1 and D-2 levels or equivalent in New York, Geneva and Vienna and in the regional commissions. Given that the focus of technical cooperation had shifted from providing individual expertise to more strategic interventions, including building national capacity and enabling local talent to benefit from global knowledge networks, the rationale for maintaining a standing pool of advisers was questionable. The Secretary-General's report asserted that there was utility in being able to respond rapidly and flexibly to requests for advice from developing countries. However, such advice was required only periodically. While it might be useful for the advisers to follow up on the programmes they had helped to prepare, they were rarely able to do so owing to a lack of funds.

50. The regular programme of technical cooperation had been established to support trailblazing projects. Regrettably, it was not fulfilling that mission, nor did it represent the best use of funds for development. In place of the current supply-driven approach to technical cooperation, the Organization should explore alternatives that were field-based, responsive to country needs and drew on the capacity that Member States' investment in the United Nations development system had created.

51. She expressed concern that, while the Development Account appeared to be well run, the funding arrangements whereby savings from efficiency gains were channelled to the Account deterred programme managers from seeking such efficiencies. Also, from a governance standpoint, it was questionable whether the General Assembly should be screening technical cooperation projects. The three delegations agreed that the Development Account and the regular programme of technical cooperation should be presented in a single budget section. The Committee should also consider the option of combining the programmes themselves.

52. **Ms. Goicochea** (Cuba) said that her delegation wished to associate itself with the statements made by the representative of Jamaica on behalf of the Group of 77 and China and the representative of Madagascar on

behalf of the Group of African States. She expressed satisfaction that the Advisory Committee had given its views on the report before the Committee, which addressed a number of important issues. As the Advisory Committee had pointed out, the report could not be considered solely from a programme budget perspective since it also dealt with policy and programming matters. Indeed, the only issue in the report within the Advisory Committee's purview was the proposal to combine sections 23 and 35 of the programme budget. While that proposal had arisen from a recommendation of the Advisory Committee, she trusted that, when it reverted to the matter, the Advisory Committee would take account of the views expressed by Member States. Currently, there was no agreement on the proposal.

53. Although the funds for projects implemented under the regular programme of technical cooperation were disbursed by the Office of Programme Planning, Budget and Accounts, she had expected that the report before the Committee, which dealt with important substantive matters, would be introduced by a representative of the Department of Economic and Social Affairs. Noting that a consultant had assisted with the preparation of the report, she asked what costs had been incurred, where the related funds had been obtained and why no statement of programme budget implications had been prepared prior to the adoption of General Assembly resolution 58/270.

54. It would also be helpful to know what the current funding level of the Development Account was following the adjustment for inflation referred to in paragraph 8 of the report. She noted with regret that the Secretariat had made no proposals for increasing the level of the Account, despite a request to that effect in paragraph 58 of resolution 58/270, and that in paragraph 14 of the report it appeared to have reinterpreted the provisions of paragraph 48 of the resolution.

55. The Secretariat should inform the Committee whether the report before it would be taken up by other Main Committees or by CPC and what mechanisms had been put in place for the Committee's future consideration of the regular programme of technical cooperation and the Development Account, there being no corresponding programme in the biennial programme plan for the period 2006-2007 (A/59/6 (Part two)). It had been proposed that deliberations on some aspects of the Secretary-General's report should be deferred pending the five-year review of the outcome of the Millennium Summit. However, decisions on the maintenance of two key programmes should not be subordinated to the outcome of a complex intergovernmental negotiating process. As to the suggestion that the future of the regular programme of technical cooperation should depend on its impact on the ground, she noted that projects implemented under the programme were designed to build local capacity and that their impact on the attainment of development goals was therefore difficult to assess.

56. **Ms. Van Buerle** (Officer-in-Charge of the Programme Planning and Budget Division) said that a consultant had been engaged to conduct the comprehensive review requested by the General Assembly because there was not sufficient in-house capacity to consult with all the beneficiaries of the regular programme of technical cooperation and of Development Account projects in the different regions in which they were located. The expenditure incurred had been approximately $60,000 and the resources had come from section 23 (Regular programme of technical cooperation) of the programme budget, specifically from the funds allocated to the Department of Economic and Social Affairs. Regrettably, the information contained in paragraph 8 of the report was inaccurate. The funding level of the Development Account had never been adjusted for inflation and, while in previous bienniums the budgetary provision for the regular programme of technical cooperation had been recosted, recosting had not been applied in the current biennium pursuant to paragraph 9 of General Assembly resolution 58/270. With the Committee's agreement, she would reply to the other questions raised in informal consultations.

57. **Ms. Goicochea** (Cuba) said that, while she had no objection to the course of action suggested, she trusted that there would be another opportunity for the Committee to discuss the report in a formal setting. The issues it raised were important and the Secretariat's replies should be placed on record. Her delegation had taken note of the reasons for hiring a consultant to conduct the comprehensive review. However, it maintained that the Secretariat should have issued a statement of programme budget implications before the adoption of resolution 58/270. Also, it wished to know whether the funds expended had come from a provision for consultants and experts or whether resources had been diverted from training and

capacity-building programmes. Lastly, if paragraph 8 of the Secretary-General's report contained an error, a corrigendum should be issued.

58. **The Chairman** said that the Committee's general discussion on the report would remain open.

Other matters

59. **The Chairman** drew attention to two surveys which had been distributed informally. The first, on conference services, had been prepared by the Department for General Assembly and Conference Management. The second related to the technical secretariat services provided by the Fifth Committee secretariat.

60. **Mr. Iosifov** (Russian Federation), supported by **Ms. Goicochea** (Cuba), said that the surveys should have been made available in all six official languages of the United Nations, rather than in English and French only.

61. **The Chairman** said that the Secretariat had taken note of the concerns just expressed.

The meeting rose at 12.20 p.m.